

Flotation mill ^{N. MINER} on target in B.C. ^{3 NOV} for Rhyolite Res. ⁸⁶

The construction of the flotation mill on Rhyolite Resources' Texada Island property in the Nanaimo division of B.C. is on schedule and should be completed by mid-to-late November, reports Chairman Jon A. Stewart. ^{92F261}

Rhyolite is operator of the project and its joint venture partner, Roddy Resources, can earn up to a 50% interest in the mill and property by providing funds for the completion of the 75- to 100-ton-per-day mill. After Rhyolite receives \$500,000 from its partner's share of revenues, the revenue will be divided on a 50/50 basis.

Mr Stewart says the initial throughput will be about 75 tons per day of stockpiled ore, increasing to 200 tons during the first quarter of 1987. The expectation, he says, is for a monthly output of gold at full production of at least 1,500 oz based on a millhead grade of 0.25 oz gold per ton.

Before year-end, Rhyolite and Roddy will carry out a \$400,000 program to further explore and develop three zones of gold mineralization which exhibited visible gold across mining widths during trenching operations.

Of these three, the prime target will be the Silver Tip-Nancy Bell locality. Previous trenching and drilling on the Silver Tip outlined a gold-bearing vein more than 1,200 ft long with gold values on average greater than 1 oz per ton over 4 ft with 1.5 oz silver per ton.

Geological mapping of the Nancy Bell zone has indicated a potential length of 9,000 ft of which approximately 1,000 ft has been explored. Here drilling and trenching have indicated a true width of 20 ft.

Rhyolite's Texada property, which covers an area of roughly eight sq mi, encompasses at least six former producing mines and 11 new zones of gold mineralization, says Mr Stewart.

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Rhyolite Resources Inc RHY
Shares issued: 6,913,869 Jan 27 close: \$0.60
Acquisition

The VSE has accepted for filing documentation with respect to the acquisition of an option interest in the Angel group of claims, Texada Island area, B.C. pursuant to an agreement dated November 5, 1986. The acquisition is subject to a 4% net smelter royalty to the vendors. As consideration Rhyolite will issue 50,000 shares, pay \$8,000 and expend \$50,000 on the claims prior to November 5, 1987.

VANCOUVER STOCKWATCH JAN 28/87

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Apr 2/87 RHYOLITE RESOURCES INC. (RHY-V) GCNL 65
ORE CRUSHING STARTS -John Bissett, president, announces
ON TEXADA ISLAND Rhyolite Resources Inc.'s withdrawal
from an a 11Feb87 agreement wherein
First Exploration Fund 1987 and Company committed
\$350,000 to subscribe for flow-through common shares of
Rhyolite at an issue price of 60¢ each.

Rhyolite management expect that exploration funding for 1987 will be met from internally generated funds arising from the onset of production at its property on Texada Island, B.C. At Texada, crushing operations have started and the flotation system is expected to be operational within a few days. Initial mill feed is coming from stockpiled ore, however, mining operations at the Bolivar pit are scheduled to start momentarily.